

State of Chairman Petri  
Highways, Transit, and Pipelines Subcommittee  
Hearing on Pipeline Safety

March 16, 2006

The background for this hearing is straightforward. In the final days of the 107<sup>th</sup> Congress, HR 3609 – The Pipeline Safety and Security Act of 2002 passed both houses and was signed into law. The bill aimed to improve the safety and security of the nation's 2.2 million miles of pipeline. It was all that remained of efforts to enact a broad energy package in the 107<sup>th</sup> Congress.

The Act, which was signed into law in November 2002, required that one-half of all interstate gas pipelines be inspected within five years, with the rest facing initial inspection within a decade. It called for inspections within 10 years of enactment, with re-inspections every seven years after that. The Act increased, from \$25,000 to \$100,000, daily civil penalties for companies found to be operating below safety standards, with the maximum penalty for a related series of violations raised from \$500,000 to \$1 million.

It is important to note that at the time, the Office of Pipeline Safety had not been reauthorized for several years. There were significant issues at the time that made the reauthorization process contentious. The completion of the bill required compromises, patience and good faith, on everyone's part.

It is four years later, and we are at the end of the authorization period provided for in the Act. It is important therefore that we now gain an understanding of how things are going in the pipeline safety regime. How well has the law that we passed produced improvements in the safe operation of pipelines? This is our primary goal here today.

It is notable that since the establishment of the integrity management regime, leaks are down, inspections are up and so are the repairs that follow inspections. PHMSA has added 60 inspectors in the last 12 years. Civil penalties are more frequently used, and in higher amounts. Operator qualification training has improved. 18 of the 23 mandates in the 2002 Act have been completed by PHMSA – not perfect, but good progress.

The one area where we see less progress than desirable is excavation damage. This is the damage caused when someone involved in construction, or other similar activity, breaks an underground pipeline. A one call number, 811, was established in 2002 Act, but not everyone calls.

To advance this goal, we have before us representatives from various government agencies, pipeline operators and safety advocates. We look forward to their appraisal of the situation.

It is also at this time worth noting that several days ago there was a leak in an oil pipeline on the North Slope in Alaska. As we understand the situation, the leak was from a quarter inch hole in the pipe. It is currently estimated that approximately 250,000 gallons of oil leaked. We further understand that the leak was contained to a 2 acre area, that no oil has crept into any waterways and that virtually 100% of the oil is expected to be recovered.

Representatives from the operator, BP, the federal regulator PHMSA, as well as state officials, have been engaged in the clean up and appear to have the situation under control. It is important that this event be understood here for what it is – a leak that was quickly discovered and appropriate action taken. It is not, in our view today, an event indicative of some larger failure in the pipeline safety regime.